
Labour Law

New Law on Minimum Wage

Royal Kram No. RS/RK/0718/015 promulgating the Law on Minimum Wage dated 6 July 2018

On 6 July 2018, the Law on Minimum Wage ("**Law**") was promulgated to set the criteria and procedure for determining the minimum wage, and establish the National Council on Minimum Wage ("**Council**"). The Law aims to promote the livelihood of workers and increase their productivity, as well as encourage an investment-friendly environment. The Law applies to those that fall within the scope of the Labour Law.

The Council was established to conduct studies, engage in discussion, and offer recommendations to the Ministry of Labour and Vocational Training ("**MLVT**") regarding the minimum wage. One-third of the Council's members consists of governmental representatives; another one-third is made up of employer representatives; and the other one-third comprises employee representatives.

To determine a minimum wage, both social and economic factors are considered. Social factors include family status, inflation, and living expenses. Economic factors include productivity, country competition, market status, and profitability of the sector. After receiving recommendations from the Council, the MLVT will declare the minimum wages and reserve its right to make changes depending on social and economic factors.

Once the minimum wage is established, any verbal or written agreement within the scope of the Law that provides a wage lower than the prescribed minimum wage will be deemed void. For contractors, the wage must at least be equal to the minimum wage for workers. For workers who earn based on production, if their wage is less than the minimum wage, the employers shall pay the difference so that the total amount of their wages would be equivalent to the prescribed minimum wage for workers.

In addition, for jobs that require the same terms, qualifications, and productivity, wages shall be provided equally to all employees that are within the scope of this Law, regardless of birth origins, age or gender.

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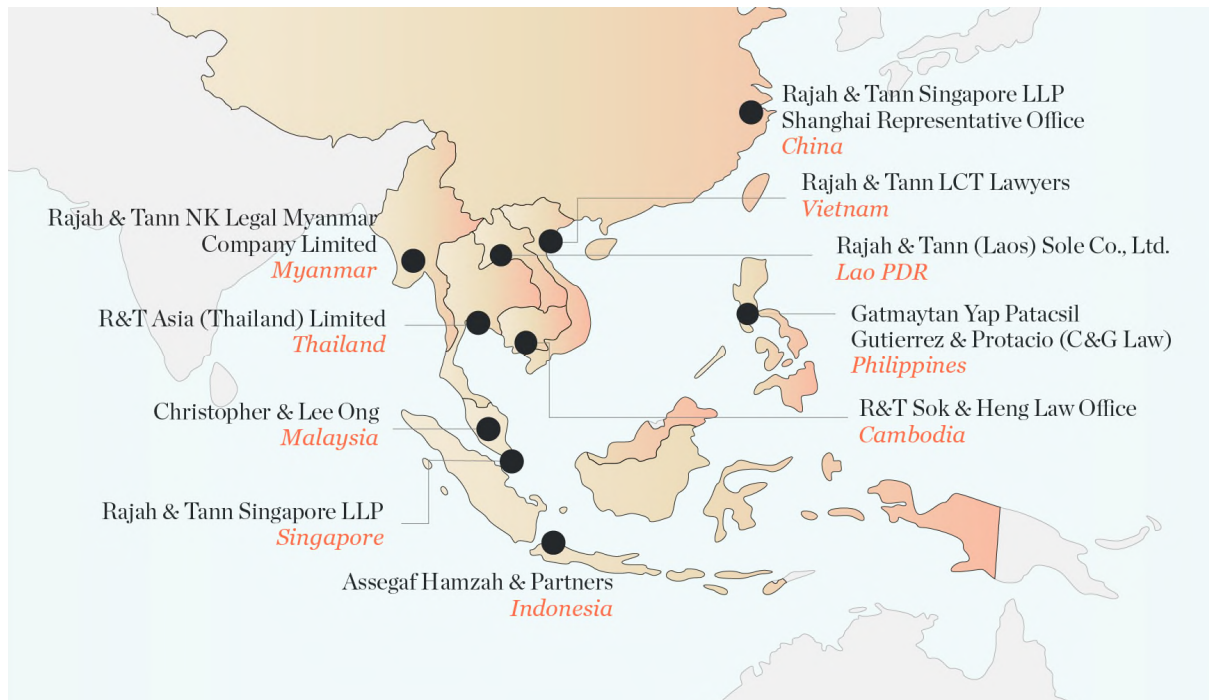
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